



## Will Clean and Green Earn You Income?

### Description

Solar and wind projects abound and investors are considering the options available to them. Is clean and green a dynamic, long-term duo for your portfolio? Consider the massive energy demands that wind and solar power may never be able to oblige. Industry, business, governments, and consumers demand enormous amounts of energy.

Before investing, consider the reality of the situation. In the U.S., Sen. Mary Landrieu (D), said:

“The goal for me is not clean. It’s an important part of the equation, but it is not the goal. The goal is [energy] independence. The goal is security. The goal is reliability. And then also, as clean as possible.”

Furthermore, as OilPrice.com noted in a 2012 article: “First, most alternative energy sources are not replacements for oil. Many of these alternatives (wind, solar, geothermal, etc.) produce electricity, not liquid fuel.”

The article further stated: “Second, oil contributes the largest share to the total primary energy supply, approximately 34%. Changes to its price and availability will have worldwide impact especially because alternative sources currently contribute so little to the world energy system (IEA, 2010).”

However, companies with sound alternative energy projects can be a component of, and provide income to, your portfolio.

### Northland Power

**Northland Power** ([TSX: NPI](#)) develops, builds, owns, and operates facilities that produce natural gas and wind, solar, and hydro energy. The company has 750 megawatts, with a net of 439 MW, of solar and wind projects with awarded power contracts.

Northland is working towards its goal of constructing offshore wind projects in North America and Europe. It recently completed financing on a deal to construct Europe’s largest offshore wind farm in

the North Sea. This deal is worth \$4.2 billion. Northland Power owns 60% of the 600 MW Gemini project.

This month, Northland Power declared a dividend of \$0.09 per share.

## General Electric

**General Electric** ([NYSE: GE](#)) is a quality investment option when it comes to alternative energy. Its exposure to solar and wind is a component of its overall business, not the main thrust of its business. An investment in GE can earn you income from its solar and wind initiatives, and from an array of other projects that have nothing to do with this sector.

Regarding solar energy, it's working on several projects designed to make large-scale solar installations affordable and easy to carry out. These are utility-scale solar systems designed to lower the total installed cost of electricity. Regarding wind turbines, its GE Energy product portfolio includes wind turbines with rated capacities ranging from 1.5 MW-4.1 MW, as well as support services.

GE's quarterly dividend is \$0.22 per share.

## Oil is still, and will always be, a worthwhile portfolio holding

Personally, I do not believe that solar and wind will rule the energy roost in the coming years, [no matter how much Warren Buffett invests](#). They will contribute to nations' energy needs, but oil remains king. I personally don't foresee a plethora of whirling wind towers or solar panels powering the demands of monolithic steel plants or major industry corridors in nations. Don't let the current hype over solar and wind cause you to rush into bad investment decisions.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:GE (General Electric Company)
2. TSX:NPI (Northland Power Inc.)

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## Date

2025/08/18

## Date Created

2014/06/13

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